

Dual Plan for Ownership and Operation of Railroads

[Below is the balance of the statement of Mr. Bryan before the committee on Interstate and Foreign Commerce of the House of Representatives, August 29, 1919. The first part of the statement was printed in the October Commoner.—Associate Editor.]

Mr. Bryan. I think probably it would be brought to earth before they would commence to do it.

Mr. Winslow. How do you think this plan of yours would affect the high cost of living?

Mr. Bryan. That is a pertinent question.

Mr. Winslow. I mentioned it because when a very prominent plan has been suggested it has been said that if it would work the high cost of living would be ended, and I wanted to know how you think this plan would affect the high cost of living.

Mr. Bryan. Well, I believe that anything that eliminates unnecessary cost tends to reduce the cost of living, and I believe that the Government ownership of railroads would have the same effect upon rates, which enter into the cost of living, that the Government ownership of water plants has had on the cost of water to the people. A hundred years ago about 16 cities out of 17 had private corporations owning their water plants. I think to-day more than 16 out of 17 cities own their own water plants. The tendency is from private ownership to Government ownership in the matter of water plants; that movement has been constant and irresistible. A few years ago I had a chance to make a comparison between the privately owned plant in Omaha and the city-owned plant in Lincoln, Nebr. Omaha is more than twice as large a city as Lincoln. The people, I found, paid twice as much per gallon of water in Omaha, where they bought it from a private company, as the people did in Lincoln; and in Lincoln the city furnished itself water without charge, while in Omaha the city had to buy the water from the private plant, which made it cost the citizens of Omaha really more than twice the cost in Lincoln.

Now, I believe that the natural effect, and the effect as shown by experience, of a transition from private ownership to Government ownership proves that it is economy by giving the people a better service at a lower cost.

Mr. Winslow. That is one side of it. In the State of Massachusetts, where I live, the only gas and electric-light companies that have taken advantage of the opportunity to become municipal plants have all gone the other way.

Mr. Bryan. Yes.

Mr. Winslow. You get everything centralized; and they do not work in conjunction with the water works of any other town. It is a complete unit, which is in direct opposition to the suggestion of the trunk line and innumerable branches.

Mr. Bryan. The electric-light plant at Jacksonville, Fla., was taken over by the city, and the result there was a reduction in the price of the service.

Mr. Winslow. Of course, that would lead to a proper review.

One more question: I would like to ask you if you have in mind framing a bill, or having some one present a bill, to cover your plan?

Mr. Bryan. No; I have no such thought in mind. I had no further plan in mind than appearing here, and I only appear here because I saw other plans were being presented, and, believing that the public mind is now open on this question, I thought that I might present this plan and get consideration for it that I was not able to get at other times when the public was not thinking on the subject.

Mr. Denison. You may have expressed your views before I came into the room in reference to the question that I am going to ask, and if you did you need not repeat them. I wanted to ask you whether or not you think that the so-called Sims plan or the Plumb plan, as embodied in the Sims bill, would be a good thing for this country?

Mr. Bryan. I have not felt one could safely answer that question "yes" or "no," because if one makes an answer "yes" or "no" to that the statement is apt to go out without qualification,

and he is put in a position that is not his true position. I would not want to answer whether the plan is good or bad, because it might seem like an indorsement of it, or a condemnation of it. I have pointed out two or three things that I thought were good, and I have pointed out some things that I thought were bad, simply in conjunction with the discussion.

Mr. Sweet. Now, Col. Bryan, you have spoken somewhat favorably of the Plumb plan. Do you believe it would be possible to put that plan in operation in each of the States?

Mr. Bryan. I hope you will not leave your question just as it is, because it does not exactly state my position. I have declined to express an opinion on the plan, for or against it. I have taken out certain things and commended them, and certain other things and condemned them.

Mr. Sweet. I will put it, then, "some features of the Plumb plan."

Mr. Bryan. Yes.

Mr. Sweet. Do you believe that it is desirable to have Government ownership of the property and private operation?

Mr. Bryan. Well, I would answer that as I once had to answer a question in Congress: That if a burglar was in my house and I could get back half of what he had taken, or none, I would take half. And so, if I could not get part of this thing, I would take it rather than get nothing. But I would prefer to have the Government both own and operate, and not merely own, in both State and Nation.

Mr. Sweet. Both State and Nation?

Mr. Bryan. Both State and Nation; yes, sir.

Mr. Sweet. So, then, you do not believe that the founders of our form of Government contemplated that the Government, as such, should ever operate or manage business?

Mr. Bryan. Well, there is a clause in our Constitution, you know, that gives Congress control over interstate commerce.

Mr. Sweet. Do you think it goes to the extent of operating business?

Mr. Bryan. I think this: That when you come to a condition that has developed since the Constitution was written, but is simply the development of the thing for which it provided, it is only fair to construe the Constitution as permitting natural, logical, economical, and political development of a right that it did recognize even before the necessity for development was apparent. So, I would not think there was any constitutional difficulty in the way.

Of course, as to whether a State could do it or not might be a different question, because the State's constitution might not authorize the State government to deal with that; it might require an amendment to the constitution of the State to enable it to own and operate the railroads. But I have never felt so much concern as to whether a constitution has a provision in it or not, because I have seen constitutions amended when the people wanted them amended, and I have gone on the theory that the constitution belongs to the people, and to the people living and not to the people dead—that the people living can make it what they want it to be, and that the people of every State have it in their power to amend their constitution so as to permit the people to do whatever the people want to do.

Mr. Sweet. How long do you contemplate that it would take to put your plan in operation in each of the States?

Mr. Bryan. If the constitution of the State would permit, it would not take long. If the constitution would not permit it and it had to be amended, it would take longer. The question can not be answered with any accuracy, because in different States the constitutional provisions differ as to how the constitution can be amended. For instance, in one State you can submit an amendment at a special election, while in another State you can only submit it at a regular election, which would mean that you would have to wait a longer time.

Mr. Sims. In one State the legislature must be elected after the amendment has been submitted.

Mr. Bryan. Yes. You see that it differs so in different States that no one rule would apply to all.

Mr. Sweet. Do you know of any State at the

present time that is even agitating that question?

Mr. Bryan. No, sir.

Mr. Sweet. It would be necessary, then, to get public opinion behind a plan of that kind in each of the States?

Mr. Bryan. Yes; but you know that the mobilizing of public opinion does not take as long when the people are thinking as when they are not thinking; the moment a question becomes an active, urgent question the people get to work.

For instance, take the profiteering question. If the people feel that it is an urgent pressure, to hear upon their governor to call a special session of the legislature to deal with profiteering, and in a few weeks' time you can have machinery sufficient. But if the people have not thought of the question, and can not be brought to think of it as a unit or as a mass, of course, it is going to take a long while. It took us 21 years to bring about the election of the Senate by the people—21 years after it passed the House of Representatives first. It took 17 years to get the income-tax amendment adopted after the Supreme Court nullified the law. But prohibition grew from a minor question until it was a concluded reform in much less time.

Mr. Sweet. Do you see any disadvantage in one State adopting your plan and another not adopting it?

Mr. Bryan. No, I suggested in my argument that one of the advantages of the plan is that it adjusts itself to the sentiment of the States and that States as they are ready for Government ownership can have it. I do not know whether I used the illustration or not, but it is one that I have sometimes used to cover this point. The gradual adoption of a thing is the natural process. If a person desires to go from one room to the room above, he does not do it at one step, but goes up by the stairway that rises about 9 inches to the step; and so most progress is gradual. I think the plan that I suggest accommodates itself to the natural process and that it would be much easier to inaugurate Government ownership by that plan than it would be to take it all once as a rational proposition.

Mr. Sweet. You believe that under your plan, then, each State will reserve to itself the rights to which it is naturally entitled?

Mr. Bryan. Yes; that is my idea.

Mr. Sanders of Indiana. Of course, with the railroad problem before us now what we want is a practical solution.

Mr. Bryan. Yes.

Mr. Sanders of Indiana. Your proposed solution would require first, the adoption of it by Congress. We could, of course, issue an edict to the States. It would require the adoption by each of the States of the same plan?

Mr. Bryan. Yes, sir.

Mr. Sanders of Indiana. A great many of the States would have to change their constitutions. Some of the States might not adopt the plan at all. That is quite conceivable, is it not?

Mr. Bryan. No; it is not conceivable, if you will pardon me. That is, when a plan is tried it is either demonstrated to be a success, or a failure. If it is demonstrated to be a success, it is only fair to assume it will be adopted.

Mr. Sanders of Indiana. Of course, the plan will not be in its entirety until it is adopted by all the States. So the plan, as a plan, can not be tested until it is adopted by all the States, and hence its success or failure could not influence any of the States to come in.

Mr. Bryan. Oh, I beg your pardon. The failure of one State to adopt it will not interfere with the other States adopting it at all.

Mr. Sanders of Indiana. Well, suppose Illinois does adopt the plan and suppose Indiana and Wisconsin do not. Now, would Illinois have the right to condemn the Pennsylvania Railroad at the State line, coming across there and take it over?

Mr. Bryan. No; not the interstate line.

Mr. Sanders of Indiana. Well, you already have the national—

Mr. Bryan (interposing). I thought you meant the Government line. It could condemn any part of any other line; it can to-day. If the Pennsylvania can condemn the individual's property, do you doubt the State that gave it that right can go out and condemn the railroad?

Mr. Sanders of Indiana. It is your opinion that the State of Illinois could condemn a part of an interstate railroad and control it? Well,